new Saral Form Nos. 2 and 3 notified in the current year are easy to fill in and provide standardised and structured formats for computation of head wise income along with guidance nôtes. The separate schedules provided in the form are for different heads of income and in most cases as taxpayer will not be required to fill in all the schedules.

(c) and (d) In view of above, do not arise.

Flaws in VAT proposals

2950. SHRI S. AGNIRAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that much awaited VAT proposal have serious lacunae;

(b) if so, the details thereof;

(c) whether Government have received any appeals from any associations regarding the implications of the overall tax; and

(d) if so, what steps are being taken to rectify the flaws in the proposals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (d) A few States have drafted legislation for replacing sales-tax with VAT. Since, as per Entry 54 of the State List in the 7th Schedule to the Constitution of India, taxes on sale or purchase of goods is a State subejct, it is for the States concerned to take cognizance of lacunae/flaws if any and to look into the implications of the overall tax. An Empowered Committee of State Finance Ministers is monitoring the implementation of the unanimous decision taken by the States to introduce VAT with effect from 1.4.2002 in most of the States and Union Territories. The Government of India is merely playing the role of co-ordinator and facilitator in the matter.